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Producers 88 (4-89) — Paid-Up With 640 Acres Pooling Provisio

## PAID-UP OIL AND GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT is made this day of June, 2008, by and between Felix N. Dozler, Jr. and Amy E. Dozler, as busband and wife, as Joint Tenants, with Rights of Survivorship, whose address is located at 2011 Kayli Lane, Euless, Texas 76039, as Lessor and <u>CHESAPEAKE EXPLORATION, U.L.C., an Oklahoma limited liability company, P.O. Box 16496, Oklahoma City, Oklahoma 73154-6456, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:</u>

9.168151 acres, more or less, situated in the Joseph E. Field Survey, Abstract Number A-540, Tarrant County, Texas, and being Lot 43, Block 6, of Sagepoint, an addition to the City of Euless, Tarrant County, Texas, and being further described in that certain Warranty Deed with Vendor's Lien dated May 23, 2000 and recorded in Volume 14355, Page 443, Deed Records, Tarrant County, Texas.

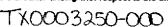
in the county of Tarrant, State of TEXAS, containing 0.168151 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

- 2. This lease, which is a "paid-up" tease requiring no rentals, shall be in force for a primary term of three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereor.

  3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons exparated at Lessee's sparator facilities, the royalty shall be Twenty Five Percent (25%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchase's transportation facilities, provided that Lessee's shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be Twenty Five Percent (25%) of the processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchases contracts entired into on the same or mearest preceding date as the date on which Lessee commences are such as prevailing price) pursuant to comparable purchases contracts entered into on the same or mearest preceding date as the date on which Lessee commences are such as prevailing price) pursuant to comparable purchases contracts entered to be production in other substances covered hereby in paying quantities or such vertices are waiting o

- Create to 19 state with our properties to environ a Leased of a line expressory of reports project, if the depocitory should lipitate or be succeeded by another institution, or for any resour fail or relaxe to accept payments.

  1. Except as provided for in Paragraph 3, above, 2. Leased office a well which is incapable of production in paying quantities (permanent) reports to the providence of Paragraph 3 or those scient of any governmental authority, then in the event this lease is not inverted by help' on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries previous of Paragraph 3 or the scient of any governmental authority, then in the event this lease is not inverted by help' on the leased premises or lands pooled therewith which of the call of any governmental authority, then in the event this lease is not inverted by the call of the payment of of the pay



es all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained bereunder

- 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the dritting of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises. store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands during crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

  11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtai
- control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied coverants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

  12. In the event that Lessor, during the primary term of this lease, shows a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

  13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the evert the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in cart unless Lessee is given a reasonable
- written notice fully describing the prescri or cerauli, also then only in Lessee halls not remove the lesser or cerauli, which are selected or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

  14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewish and from which Lessor shall have no right to royalty or
- other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

  15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

  18. Lessor, and their successors and assigns, hereby grants Lessee an option to extend the primary term of this lease for an additional period of two (2) years from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term the same bonus consideration, terms and conditions as granted for this lease.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor ase payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor. LESSON (WHETHER ONE OR MORE) Amy E. Dozie **ACKNOWLEDGMENT** STATE OF TEXAS TAKRANT This instrument was acknowledged before me on the 2/5/ GARY A. JACKSON الماء Notary Public, State of Texas My Commission Expires me (pri d): October 18, 2009 **ACKNOWLEDGMENT** STATE OF TEXAS /ALRANT COUNTY OF This instrument v dged before me on the GARY A. JACKSON Notary Public, St Notary Public, State of Texas My Commission Expires ate of e (printed): October 18, 2009 CORPORATE ACKNOWLEDGMENT STATE OF TEXAS COUNTY OF This instrument was acknowledged before me on the day of 20 corporation, on behalf of said corporation. Notary Public, State of Texas Notary's name (printed): Notary's commission expires: RECORDING INFORMATION **STATE OF TEXAS** County of This instrument was filed for record on the day of o'clock M., and duly recorded in

records of this office.

Book

By\_

\_\_, Page \_\_

\_\_\_\_, of the

Clerk (or Deputy)